

BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, AUGUST 13, 2013 – 8:30 AM CT

Members Present

Chairman Jeff Erickson, Dale Clement, Tony Klein , Sharon Casey, John Calvin, Mike Luken, Greg Heineman, Tim Kessler, Don Kettering, Pat Prostrullo, Rob Skjonsberg, Bruce Rampelberg, Tom Jones, Scott Parsley

Staff Present

Commissioner Pat Costello, Deputy Commissioner Nathan Lukkes, Kim Easland, Ashley Moore, Cherissa Nielson, Travis Dovre, Steve Watson, Alissa VanMeeteren, Mike Turnwall

Other Staff Present

Mandy Kuipers- BankWest, Inc.

Others Present

Alison Jares- Department of Revenue

Call to Order

Chairman Erickson called the meeting to order at 8:30 AM.

Agenda

A motion was made by Don Kettering and seconded by Tim Kessler to approve the agenda as presented.

Motion prevailed by a roll call vote.

Minutes

A motion was made by Tony Klein and seconded by Mike Luken to approve the minutes of July 1, 2013, July 9, 2013 and July 31, 2013 as presented.

Motion prevailed by roll call vote.

Letter of Engagement

A motion was made by Dale Clement and seconded by John Calvin to approve the Letter of Engagement as presented.

Motion prevailed by roll call vote.

Executive Session

A motion was made by Pat Prostrullo seconded by Greg Heineman to enter into executive session at 8:34 am to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion prevailed by roll call vote.

Executive Session Report

The Chairman declared the board out of executive session at 9:35 a.m. The Chairman reported that the Board of Economic Development entered into Executive Session to discuss commercial and financial information relating to loan and other assistance to applicants.

A motion was made by Tim Kessler and seconded by John Calvin approve the chairman's report from executive session.
Motion prevailed by roll call vote.

Loan Reviews

A motion was made by Dale Clement and seconded by Pat Prostrullo to approve the loan reviews and recommendations as presented for the following borrowers:

Aberdeen Development Corporation
Cattail Company LLP
Dak-Lan, LLC
Falcon Plastics, Inc.

Adams Holdings, LLC
Custom Touch Homes, LLC
Dakota Turkey Growers, LLC

Motion prevailed by roll call vote

Old Business

Deadwood Biofuels, LLC

A motion was made by Pat Prostrullo and seconded by Tony Klein to approve releasing the specific piece of equipment in exchange for monetary consideration as presented.
Motion prevailed by roll call vote

Rural Learning Center

A motion was made by Don Kettering and seconded by Rob Skjonsberg to approve rebooking the asset at the modified loan receivable value.
Motion prevailed by roll call vote

TTJ Properties, LLC

A motion was made by Mike Luken and seconded by John Calvin to approve commencing liquidation and allowing staff to consult with the Chairman during negotiations.
Motion prevailed by roll call vote

New Business

3M Brookings

A motion was made by Greg Heineman and seconded by Don Kettering to approve the following:

Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, the request of 3M for an equipment upgrades reinvestment payment of \$234,000, but not to exceed 50% of the State Sales and Use Tax paid on eligible equipment costs, is approved. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07.
Motion prevailed by roll call vote

Marmen Energy Company

A motion was made by Pat Prostrullo and seconded by Sharon Casey to approve the following:

Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, the request of Marmen Energy Co. for an equipment upgrades reinvestment payment of \$600,000, but not to exceed the State Sales and Use Tax paid on eligible equipment costs, is approved. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07. Motion prevailed by roll call vote.

Bills

A motion was made by Sharon Casey and seconded by Pat Prostrullo to approve the bill payable to BankWest, Inc. in the amount of \$11,000 for the June Servicing. Motion prevailed by roll call vote.

Adjourn

A motion was made by Tony Klein and seconded by Dale Clement to adjourn the meeting at 9:45 a.m. Motion prevailed by unanimous roll call vote.



Dale Clement, Secretary or
Tony Klein, Treasurer